



September 30, 2010

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Notification of Ex Parte Meeting of Global Crossing,**  
*Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92*

Dear Ms. Dortch:

On September 29, 2010, Paul Kouroupas of Global Crossing met with Randy Clarke, Dan Ball, Ted Burmeister, John Hunter, and Rebekah Goodheart of the Wireline Competition Bureau to discuss potential changes to the intercarrier compensation regime. Pursuant to Section 1.1206 of the Commission's rules, this letter summarizes the issues discussed at this meeting.

We began with Global Crossing describing long-standing concerns about the current intercarrier compensation regime. I explained how intercarrier compensation is the single most important issue impacting the telecommunications industry and the source of the overwhelming majority of disputes between carriers. I noted that inter-carrier compensation impacts billing for virtually every retail service; that it is the reason for the extensive arbitrage regime that has built up over the past century, and that reform of the inter-carrier compensation regime will not only establish a sound foundation for IP investment, but it will eliminate the root cause of the majority of carrier disputes. I also noted that in a broadband environment, it is increasingly arbitrary to assign cost-causation to one end point or another; that the cost of termination has no relation to the origination of a call; that there are no usage sensitive costs; and that jurisdictionalization of traffic is a completely arbitrary process in a broadband environment.

I then addressed reform options. First, Global Crossing supports the interpretation of Section 251(b)(5) of the Telecommunications Act that grants the Commission authority over both interstate and intrastate transport and termination services, and I urged the Commission to unify all termination rates. I also expressed concern about the pace of transition suggested in the National Broadband Plan. The majority of intercarrier compensation reform needs to be

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accomplished in the first four years: intrastate rates should be at parity with interstate rates within the first two years and the interstate rates should be reduced to the level of reciprocal compensation in the next two years. Further reductions can occur over the remaining six year transition period.

I also noted that transport comprises an equivalent portion of the total costs of transport and termination and must not be neglected. If the Commission does not regulate the rates for transport, rate increases for transport will consume the savings derived from reducing termination rates. I urged the Commission to look at transport rates across the board and not just in the context of intercarrier compensation.

Finally, I suggested the Commission may want to consider a market-based solution which would prohibit carriers from refusing to accept packetized voice traffic through existing and future, public and private, peering and transit arrangements. Carriers should be free to negotiate technical, administrative, and financial arrangements for this traffic outside of the confines of the Section 251 and 252 construct under the Telecommunications Act of 1996 as well as the federal and state rules governing access charges.

Please contact me if you have any additional questions regarding these issues.

Sincerely,

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cc: Randy Clarke